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CHEAPEAKE ENERGY CORP. ATTN: RECORDING TEAM P.O. Box 18496 Oklahoma City, OK 73154

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SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

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Ву:_____

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provisio

PAID-UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this to day of June, 2008, by and between Saluwa Fallu and John T. Hoffmann, her husband, whose address is located at 509 Westover Drive, Euless, TX 76039-2083, as Lessor and CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, P.O. Box 18496. Oklahoma City, Oklahoma 73154-0496, as Lessoe. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, lesses and lets exclusively to Lessee the following described, hereinafter called leased premises:

0.154435 acres, more or less, situated in the Joseph E. Field Survey, Abstract Number 540, Tarrant County, Texas, and being Lot 4, Block 3, of Sagepoint, an addition to the City of Euless, Tarrant County, Texas and being further described in that certain Special Warranty Deed With Vendor's Lien dated October 29, 2003 and recorded under instrument Number D203418648, Deed Records, Tarrant County, Texas.

in the county of Tarrant, State of TEXAS, containing 0.154435 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the assumed of any shift in purpose of determining the assumed of any shift in purpose of determining the assumed of any shift in purpose of determining the assumed of any shift in purpose of determining the assumed of any shift in purpose of determining the assumed of any shift in purpose of determining the assumed of any shift in purpose of determining the assumed of any shift in purpose of determining the assumed of any shift in purpose of any shift in purpose of determining the purpose of any shift in purpose of a shift in purpose of any shift in purpose of a shift in purpose of any shift in purpose of a shift in purpose of any shift in purpose of a shift in purpose of the amount of any shut-in royaltie is hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less

- 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.
- or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be Twenty Five Percent (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity. (b) for gas (including casinghead gas), and all other substances covered hereby, the royalty shall be Twenty Five Percent (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of advalorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhad market price part for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands production of other substances covered hereby in paying quantities or such wells on the leased premises or lands read to other
- payments.

 5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in naving quantities from the leased premises or lands pooled therewith. After completion of a production in paying quantities here used to the production of a production in paying quantities here used to be a production of a production of a production in paying quantities here used to be a production of a production of a production of a production in paying quantities here used to be a production of a production of a production of a production in paying quantities here used to be a production of a p
- operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 80 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Leasee shall drill such additional wells on the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

 3. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other tands or interests. The unit formed by such pooling for an oil well of yeas well or horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority, having jurisdiction to do so. For the purpose of the foregoing, the terms "oil welf" and "as well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, in obtining a part of the leased premises on the lease separator facilities or equivalent testi
- such part of the leased premises
- such part of the leased premises.

 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or entarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee has been furnished the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferse to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to the transferred interest, and failure of the transferse a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferse in proportion to the net acreage interest in this lease then held by each.

 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of th

If or an undivided interest in less than all of the area covered hereby, Leasee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

- in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drifting of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the case and (b) to any other leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which I assor now or bereafter has authority to great such rights in the vicinity of the leased premises or lands pooled therewith. When requested by J assor in other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.
- 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's
- obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offer, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No litigation shall be initiated by Lessor with respect to any lessee fails to remedy the breach or default, within such coded. In the event the meter is litigated and
- written notice fully describing the breach or default, and then only it Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event is made, aware of any claim inconsistent with Lessor's title Lessee may suspend the navment of mysties beganise hereunder, without interest until Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

 18. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- operations.
- This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.
 Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of two (2) years from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for this lease.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lesse is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may

negotiate with any other lessors/oil and gas owners	5.					
IN WITNESS WHEREOF, this lease is executed to be effective, devisees, executors, administrators, successors and assignments.	ective as of the date first w gns, whether or not this lea	ritten above, but se has been exec	upon execution s outed by all partie	shall be binding on the s hereinabove named	e signatory and the signatory las Lessor.	
LESSOR (WHETHER ONE OR MORE)						
Salting Falle T. Weffmann	_	Record & Return to: Chesapeake Operating, 1 P.O. Box 18496			eturn to:	
Joyfin T. Hoffmann					P.O. Box 18ays	
STATE OF TEXAS.	ACKNOWLEDGMENT			Oklahoma City, OK 73154		
COUNTY OF // RANGE TO This instrument was acknowledged before me on	100 127H day of T	IL MAG	' bu Caliana Eat		J, ,0154	
RICK ELMORE	ule Zay or Say	2	/3	u BRZ		
Notary Public, State of Texas My Commission Expires April 25, 2012		Notary's name	, State of Texas	<u> </u>		
	A GASTAGARA E	P. 6.14 P. 144				
STATE OF TEXAS	ACKNOWLE	DGMENT				
COUNTY OF	the 16th day of I	AE 2008	, by John T. Hof	mann		
RICK ELMORE Notary Public, State of Texas My Commission Expires April 25, 2012		Notary Public Notary's name	State of Texas	yore		
OTLITE OF TRAIN	CORPORATE ACK	IOWLEDGMEN	т			
STATE OF TEXAS COUNTY OF This instrument was acknowledged before me on a	the day of corporation, on be	half of said corpor	, 20, by_ ration.		of	
		Notary's name	, State of Texas e (printed): mission expires:	<u></u>	 	
	RECORDING IN	FORMATION				
STATE OF TEXAS						
County of						
This instrument was filed for record on the	day of	, 20	, at	o'cłock	M., and duly recorded in	
Book, Page, of the	records of this office.					
ByClerk (or Deputy)						
Clerk (or Deputy)						